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211002Z Jul 00

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	CTME-00	DINT-00	DODE-00	DOEE-00	DOFE-00	SRPP-00	DS-00
	EB-00	EUR-00	EXIM-01	E-00	FAAE-00	FBIE-00	VC-00
	FRB-00	H-01	TEDE-00	INR-00	IO-00	ITC-01	LAB-01
	L-00	VCE-00	AC-01	NSAE-00	OIC-02	OMB-01	OPIC-01
	PA-00	PM-00	PRS-00	ACE-00	P-00	SP-00	SSO-00
	STR-00	USIE-00	R-00	PMB-00	DSCC-00	DRL-02	G-00
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FM AMEMBASSY HARARE  
TO SECSTATE WASHDC PRIORITY 6665  
INFO NSC WASHDC PRIORITY  
DEPTTREAS WASHDC  
AMCONSUL CAPE TOWN  
AMEMBASSY GABORONE  
AMEMBASSY LILONGWE  
AMEMBASSY LONDON  
AMEMBASSY LUSAKA  
AMEMBASSY MAPUTO  
AMEMBASSY MASERU  
AMEMBASSY MBABANE  
AMEMBASSY NAIROBI  
AMEMBASSY PARIS  
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AMEMBASSY WINDHOEK

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SIPDIS

NSC FOR SENIOR AFRICA DIRECTOR GAYLE SMITH

LONDON FOR PFLAUMER

PARIS FOR BISA WILLIAMS

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PASS USAID FOR R. MCALL AND AFR/SA T. PARK

PASS USTR FOR ROSA WHITAKER

E.O. 12958: DECL: 07/20/2010

TAGS: [PGOV](#) [PINR](#) [ECON](#) [ZI](#)

SUBJECT: WILL NEW FINANCE MINISTER BE ABLE TO STAND UP  
TO MUGABE?

REF: HARARE 3967

CLASSIFIED BY CHARGE D'AFFAIRES EARL M. IRVING FOR  
REASONS 1.5 (B) AND (D).

[1](#). (C) SUMMARY: LESS THAN A WEEK AFTER THE APPOINTMENT  
WAS ANNOUNCED, ALL EYES ARE ON FINANCE MINISTER SIMBA  
MAKONI, A TALENTED TECHNOCRAT WHO MANY BELIEVE IS THE  
CABINET'S MOST IMPORTANT MINISTER, WHILE INDUSTRY AND  
INTERNATIONAL TRADE MINISTER NKOSANA MOYO ARGUABLY HAS  
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THE NUMBER TWO SPOT. THE CHOICE OF MAKONI SURPRISED  
MANY, GIVEN THE ROCKY RELATIONSHIP HE HAS HAD WITH THE  
PRESIDENT AND RECENT INDICATIONS THAT MACON MIGHT JOIN  
THE OPPOSITION MOVEMENT FOR DEMOCRATIC CHANGE (MDC). WE  
THINK THAT THE IDEOLOGICALLY UNRECONSTRUCTED MUGABE WILL  
NOT YIELD ANY POWER AND WILL BE UNABLE TO RESIST  
MEDDLING IN MAKONI'S BRIEF. IF THAT TURNS OUT TO BE THE  
CASE, MAKONI MAY NOT LAST LONG IN THE JOB AND HIS MOST  
POWERFUL WEAPON WOULD BE A CRITICALLY WORDED RESIGNATION  
LETTER. MUGABE MAY ATTEMPT TO CO-OPT HIS NEW FINANCE  
MINISTER BY ELEVATING HIM TO ZANU-PF'S POLITBURO, A MOVE  
THAT SURELY WILL BE RESISTED BY INSIDERS LIKE EMMERSON  
MNANGAGWA AND SYDNEY SEKERAMAYI. ZANU-PF OFFICIALS ARE  
IN CAMPAIGN MODE FOR THE 2002 PRESIDENTIAL ELECTION, AND  
IT IS NOT REALISTIC TO EXPECT ENLIGHTENED BEHAVIOR FROM  
THEM. THE BEST THAT CAN BE SAID IS THAT MAKONI IS  
LIKELY TO FIGHT HARD TO PUT IN PLACE SOUND ECONOMIC  
POLICIES, BUT WILL ONLY WIN SOME OF THEM. END SUMMARY.

[1](#)2. (C) WHEN PRESIDENT MUGABE APPOINTED HIS NEW CABINET,  
IT WAS WIDELY AGREED THAT THE BEST NEWS WAS THE

APPOINTMENT OF DR. SIMBARASHE "SIMBA" HERBERT STANLEY MAKONI AS MINISTER OF FINANCE. THE CHOICE WAS SOMETHING OF A SURPRISE, GIVEN PAST TENSIONS BETWEEN THE TWO MEN. ONCE A RISING STAR IN CABINET AS ENERGY MINISTER, MAKONI, LATER AS CHIEF EXECUTIVE OF THE STATE-OWNED NEWSPAPER CORPORATION, ANGERED MUGABE AFTER TRYING TO SUSPEND "SUNDAY MAIL" EDITOR CHARLES CHIKEREMA, A ZANU-PF HEAVYWEIGHT. THE ZIMBABWEAN PRESIDENT ARRANGED FOR POLITICALLY CENTRIST MAKONI TO BE PUSHED OUT OF HIS POSITION AS EXECUTIVE SECRETARY OF THE SOUTHERN AFRICAN  
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DEVELOPMENT COMMUNITY, A POSITION HE HELD FROM 1984 TO 1993. MAKONI IS SEEN AS THE MOST IMPORTANT MINISTER IN THE NEW CABINET, AND, LESS THAN A WEEK AFTER MAKONI'S APPOINTMENT, ALL EYES ARE ON HIM. MINISTER OF INDUSTRY AND INTERNATIONAL TRADE NKOSANA MOYO, WHO UNTIL LAST WEEK DID NOT HAVE A ZANU-PF PARTY CARD, IS IN THE SAME LEAGUE AND HAS RECEIVED ALMOST AS MUCH ATTENTION.

13. (C) THERE ARE TWO STORIES CIRCULATING IN HARARE ON THE APPOINTMENT OF THE CAPABLE SIMBA MAKONI AS MINISTER OF FINANCE. THE FIRST IS THAT PRESIDENT MUGABE ASKED VICE PRESIDENT JOSEPH MSIKA TO INFORM MAKONI OF HIS DECISION. WHEN THE VICE PRESIDENT DID SO, THE MINISTER DESIGNATE ASKED FOR AN AUDIENCE WITH MUGABE TO DISCUSS HOW HE WOULD HANDLE THE PORTFOLIO. MSIKA TOOK THE MESSAGE BACK, AND IN TYPICAL MUGABE FASHION NO AUDIENCE TOOK PLACE AND THE PUBLIC ANNOUNCEMENT WAS MADE. IN THE SECOND VERSION, MAKONI ACTUALLY MET WITH MUGABE FOR THREE HOURS DURING WHICH TIME HE SPELLED OUT THE CONDITIONS UNDER WHICH HE WOULD ACCEPT THE APPOINTMENT. DEPENDING ON WHICH VERSION YOU BELIEVE, EITHER MUGABE OR MAKONI HAS ALREADY WON THE FIRST OF WHAT ARE LIKELY TO BE MANY BATTLES.

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FM AMEMBASSY HARARE  
TO SECSTATE WASHDC PRIORITY 6666  
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14. (C) SOME CRITICS, FOR EXAMPLE MDC PRESIDENT MORGAN TSVANGIRAI, BELIEVE THAT MAKONI'S ACCEPTANCE OF THE

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APPOINTMENT WAS IN ITSELF A CAPITULATION TO MUGABE. IT CAUGHT THE OPPOSITION LEADER BY SURPRISE BECAUSE AT ONE POINT IT APPEARED PROBABLE THAT MAKONI MIGHT JOIN THE MDC, ADDING TO THE NEW PARTY'S INTELLECTUAL HEFT AND PRESTIGE. TSVANGIRAI TOLD AN OFFICER OF THE BRITISH HIGH COMMISSION HERE THAT HE THOUGHT MAKONI WAS A "COWARD," AND THAT IF HE THOUGHT THAT WAS THE WAY TO ADVANCE HIS POLITICAL CAREER, HE WAS WRONG.

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NEVERTHELESS, MAKONI HAS A REPUTATION FOR INDEPENDENT THINKING, AND IF MUGABE DOES WISH TO CO-OPT HIM, ELEVATING HIM TO THE POLITBURO OF ZANU-PF IS PROBABLY THE BEST WAY TO DO SO. THE BUSINESS COMMUNITY LIKELY WILL APPLAUD THE MOVE, AS IT WILL GIVE MAKONI THE POLITICAL CLOUT TO PURSUE HIS POLICIES. SIMILARLY, IT MAY SHOW THE POPULATION THAT MUGABE IS FORGIVING, IN THE TRADITION OF AFRICAN CHIEFS, OF A "LITTLE MAN" WHO ONCE INSULTED HIM. FINALLY, MAKONI WOULD BE A "MADE MAN," DEPENDENT ON THE ONE WHO MADE HIM -- MUGABE.

15. (C) TSVANGIRAI'S PERSONAL DISAPPOINTMENT NOTWITHSTANDING, MANY OBSERVERS HERE SEE MAKONI AND MOYO OPERATING FROM A POSITION OF STRENGTH. THEY ARGUE THAT IT IS UNLIKELY THAT THE TWO MEN WOULD HAVE ACCEPTED THEIR POSITIONS IF IT WAS CLEAR FROM THE OUTSET THAT THEIR HANDS WOULD BE COMPLETELY TIED. FURTHERMORE, IF THE PRESIDENT HAD SIMPLY WANTED A ZANU-PF PARTY HACK, HE WOULD HAVE APPOINTED ONE. IN FACT, WE UNDERSTAND THE PRESIDENT MADE THE APPOINTMENT AT THE PRODDING OF SOME MEMBERS OF HIS ENTOURAGE, WHO SEE ADDRESSING THE COUNTRY'S ECONOMIC ILLS AS THE KEY TO ZANU-PF'S (AS WELL AS THEIR) OWN SURVIVAL. THE PRESIDENT HIMSELF IS PROBABLY NOT CONVINCED THAT THE ECONOMY IS THE MOST PRESSING ISSUE ON HIS AGENDA, BUT HE LIKES TO SURPRISE AND CHALLENGE CONVENTIONAL WISDOM, AND THUS AGREED TO MAKE THE APPOINTMENT. IF THE TWO MINISTERS DO FIND THEMSELVES STYMIED BY MUGABE, THEIR MOST POWERFUL WEAPON AT THE MOMENT WOULD BE A CRITICALLY WORDED LETTER OF RESIGNATION, SHOULD PRESIDENTIAL INTERFERENCE IN THEIR PORTFOLIO MAKE THEIR POSITION UNTENABLE.

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16. (C) EVEN IF MUGABE DOES NOT ACT DIRECTLY TO THWART MAKONI, THE NEW FINANCE MINISTER STILL FACES A DIFFICULT TASK. WHILE THE OUTCOME OF THE JUNE 24-25 PARLIAMENTARY ELECTION WAS THE BEST POSSIBLE FOR MINIMIZING THE POTENTIAL FOR WIDESPREAD VIOLENCE, AND THE NATURE OF THE DOMESTIC DEBATE IS SHIFTING TOWARD ECONOMICS, CURRENT CONDITIONS MAKE IT DIFFICULT TO REACH DECISIONS ON THE ECONOMY. WHILE MAKONI IS AN ABLE TECHNOCRAT, HE LACKS THE POLITICAL BASE OR CLOUT TO ENFORCE THE TOUGH ECONOMIC DECISIONS THAT HAVE TO BE MADE. HE ENJOYS THE SUPPORT AND RESPECT OF THE BUSINESS COMMUNITY, BUT GETTING TOO CLOSE TO IT WOULD RAISE THE PRESIDENT'S SUSPICIONS, AS MUGABE PERCEIVES IT AS THE ENEMY. IN ADDITION, THE BOSSY AND IDEOLOGICALLY UNRECONSTRUCTED MUGABE MAY FIND IT DIFFICULT TO RESIST MEDDLING WITH MAKONI'S PORTFOLIO. MEMBERS OF THE ZANU-PF INNER CIRCLE, SUCH AS EMMERSON MNANGAGWA AND SYDNEY SEKERAMAYI, WOULD SEE MAKONI'S SUDDEN RISE INTO THE POLITBURO AS A THREAT TO THEIR INTERESTS AND WOULD DO EVERYTHING THEY COULD TO BLOCK IT.

17. (C) FURTHERMORE, ZIMBABWE'S ECONOMIC RECOVERY DEPENDS ON A NUMBER OF FACTORS OUTSIDE MAKONI'S CONTROL,

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PRIMARILY THE LAND ISSUE, WHICH MUST BE RESOLVED IF  
ZIMBABWE IS TO WIN THE CONFIDENCE OF INVESTORS AND THE  
INTERNATIONAL FINANCIAL ORGANIZATIONS. ZANU-PF  
OFFICIALS ARE IN CAMPAIGN MODE FOR THE 2002 PRESIDENTIAL  
ELECTION AND ARE UNLIKELY TO BEHAVE DIFFERENTLY THAN  
THEY HAVE SO FAR.

18. (C) THE PRESIDENT WILL ULTIMATELY CALL THE SHOTS ON  
THE PORTFOLIOS OF BOTH MAKONI AND MOYO. WE DOUBT THAT  
THEY WILL LAST IN OFFICE, ONCE THEY REALIZE THEY ARE  
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LITTLE MORE THAN WINDOW DRESSING. THEY HAVE THE  
OPPORTUNITY TO BE HEROES, UNLESS THEY HAVE BEEN  
COMPLETELY BOUGHT OFF. THE BEST THAT CAN BE SAID IS  
THAT MAKONI IS LIKELY TO FIGHT HARD TO PUT IN PLACE  
SOUND POLICIES BUT WILL ONLY WIN SOME OF THEM.

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